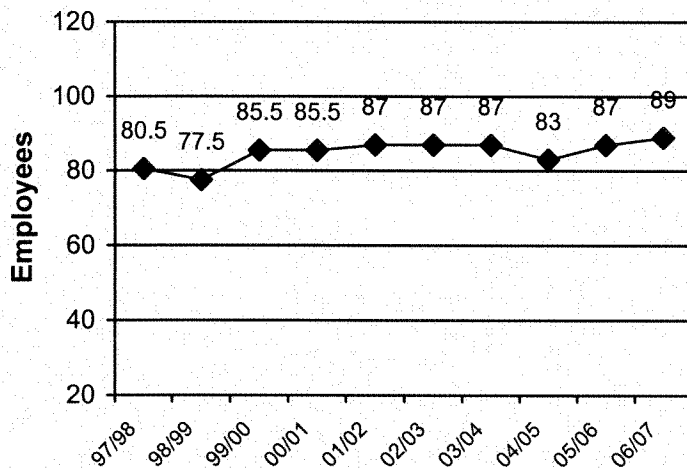


MISSION STATEMENT

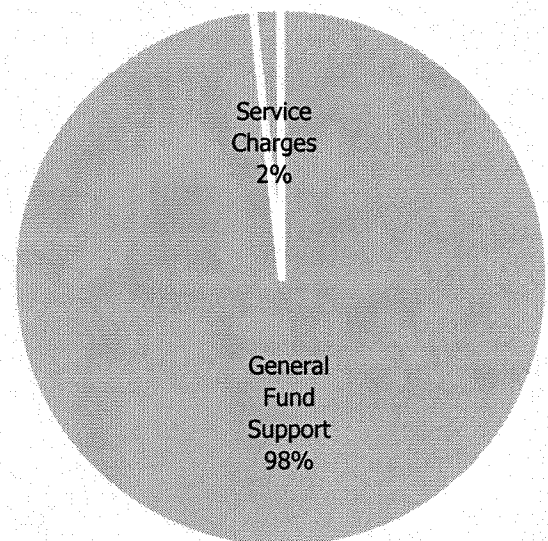
The Assessor and staff seek excellence in providing information, services, and accurate property assessments through our personal commitment to integrity, mutual respect and teamwork.

<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change From 2005-06</u>
Revenues	\$ 820,159	\$ 135,500	\$ 138,500	\$ 138,500	\$ (681,659)
Salary and Benefits	6,529,708	6,500,511	6,980,607	6,943,841	414,133
Services and Supplies	763,274	968,210	889,759	864,759	101,485
Fixed Assets	44,500	28,605	24,000	24,000	(20,500)
**Gross Expenditures	\$ 7,337,482	\$ 7,497,326	\$ 7,894,366	\$ 7,832,600	\$ 495,118
General Fund Support (G.F.S.)	\$ 6,517,323	\$ 7,361,826	\$ 7,755,866	\$ 7,694,100	\$ 1,176,777

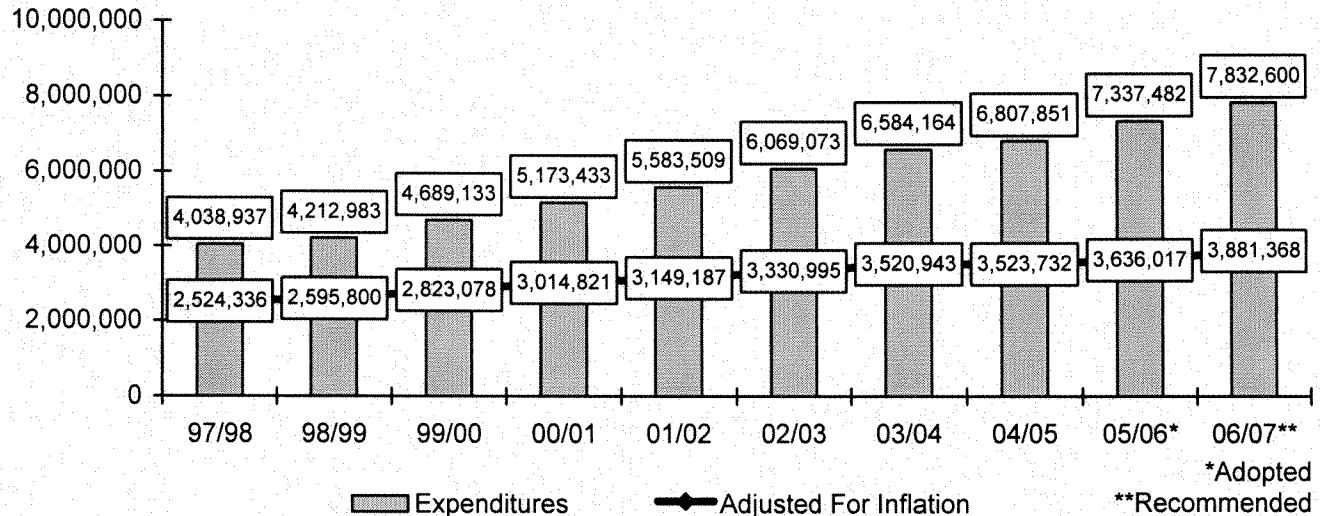
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Administration

Oversee the preparation of all property assessments, manage personnel issues, develop and monitor the department budget, coordinate accounts payable and payroll.

Total Expenditures: \$704,934 Total FTE: 7

Assessment Valuation, Reviews, and Appeals

Review and assess the value of secured real property (i.e. land and buildings) when there are changes in ownership, new construction, declines in market value, disaster relief, and other appraisal events. Review, audit, and assess the value of unsecured business property (i.e. business equipment, boats, aircraft, etc.). Assessments appealed by property owners are reviewed, processed, tracked, and staff presents recommendations to the Assessment Appeals Board.

Total Expenditures: \$3,837,974 Total FTE: 40

Assessment Standards

Analyze and track legislation pertaining to property taxes; develop and implement procedures upon passage of new legislation; compile and deliver internal and state mandated reports to appropriate agencies; oversee training for staff; implement and maintain the automated systems within the Assessor's Office.

Total Expenditures: \$704,934 Total FTE: 7

Public Service

Provide information to the public regarding property assessments and property tax laws in person, over the telephone, and by written communication including pamphlets, public service announcements, the Internet, and annual notifications, etc.

Total Expenditures: \$313,304 Total FTE: 6

Roll Preparation

Update and maintain the property assessment records. This includes creating and maintaining property parcel maps; verifying and updating ownership data when property ownership is altered; maintaining exemptions; updating valuation data and property attributes; processing revised assessments; maintaining the supplemental tax records; and other functions.

Total Expenditures: \$2,271,454 Total FTE: 29

DEPARTMENT COMMENTS

The Assessor is responsible for locating, identifying the ownership, and determining the value of real and business personal property within the County of San Luis Obispo. The Assessor must complete an annual assessment roll showing the assessed values for all properties. The most recent local assessment roll totaled more than \$31 billion in assessed value.

KEY ACCOMPLISHMENTS FOR THE 2005-06 FISCAL YEAR**Customer Service**

- Expanded our Public Outreach program by staff attending realtor and title company meetings to speak on property assessment practices.
- Provided assessor parcel maps to the public on-line.

Internal Business processing improvements

- The file-purging program reduced the space required to store property files. The amount of storage space required was reduced by 40%.
- 40% reduction in processing time for Base Year Value Transfer claims (Prop 60).
- Changes to parceling procedures increased processing time by 10%.

Financial improvements

- Rewriting the Property Attribute Inventory program enhanced efficiency of the appraisal process, accuracy of attribute data for the public, and saved \$75,000 annually in labor costs.

Learning and Growth

- All staff members certified by the State Board of Equalization completed their annual training requirement. This assures fair and accurate assessments for the property owners.
- Property Transfer Technicians attended training to assure consistent application of property tax laws and improve customer service.

MAJOR FOCUS FOR 2006/07**Customer Service**

- The Assessor's web site will be redesigned upon the implementation of e-Gov. Information will be better organized and easier to find.

Internal Business Processing Improvements

- The new document management system (IDM) will improve the storage and retrieval of documents, and reduce the need to expand physical storage space for documents.
- A new appraisal workflow system developed by Assessment Evaluation Services (AES) will improve the management of appraisal work and tracking production.

Financial Improvements

- The Standard Document Record (SDR) system will reduce the cost of processing the mandatory Business Property Statements by 20% (\$15,000 savings) in the first 2 years. As more businesses use the system savings will increase each year. This system will improve customer service by providing businesses the means to electronically file their statements, and it improves internal business processing by saving support staff's time by 33%.

Learning and Growth

- Provide training to improve communication, writing skills, and strengthen teamwork as stated in the office's strategic plan.
- Provide training for the Automation and GIS staff to further develop technical expertise, and to learn about the best business practices applicable to the Assessor's Office.

KEY CHALLENGES FOR 2006/07**Reinstate State Funding**

The State cut the Property Tax Administration Program (PTAP) which provided 10% (\$736,288) of the funding for the Assessor's budget. The California Assessors' Association is continuing to pursue negotiations to resume the PTAP program or replace it with a similar type program.

Increasing Workloads

The assessment workload continues to increase. In the past 10 years, work items related to new construction are up 61%, and items related to ownership changes are up 37%. The reorganization of the office structure will generate greater improvements in customer services, business processing, and financial management. The goal is to complete 98% of all appraisal items by June 2007.

Developing a new Property Tax System

In the coming year, the Assessor, Auditor, and Tax Collector will be researching and planning a new property tax system. The existing system is over 20 years old and is inefficient in producing the assessment roll and property tax bills. A new system will provide better business practices and service to the tax payers.

RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS

Unit /Amount	Description	Results
Gross: \$65,802 General Fund Support: \$65,802	Request to add two Administrative Assistant I/II/III positions. Adding these two positions is part of the department's reorganization.	<ul style="list-style-type: none"> To improve efficiencies and to provide excellent service to all stakeholders, including other County departments. These positions will assure that workload is evenly distributed to improve administrative operations.
Gross: \$227,435 (for the two positions) General Fund Support: \$227,435	Request to delete a Chief Appraiser position and a Chief of Standards position, and add one Assistant Assessor position and one Assessment Analyst I/II/III position. Deleting and adding these positions is part of the department's reorganization.	<ul style="list-style-type: none"> These positions will assist the County Assessor's in developing departmental assessment policies, procedures, standards, goals and objectives; coordinate the planning, organization, and direction of the newly created divisions of the department. The Assistant Assessor will be responsible for the supervision and performance evaluations of section managers as well as act in the place of the County Assessor when he is absent.
Gross: \$60,185 General Fund Support: \$60,185	Request to delete one Senior Account Clerk and add one Accounting Technician. As part of the department's reorganization, the duties of the position will be at a higher level of financial reporting, budget development and management than required of a Senior Account Clerk.	<ul style="list-style-type: none"> Increased day to day financial responsibilities including quarterly reporting, fee development as well as development and management of the department's annual budget. Oversight of any trust accounts and associated grants according to County procedures

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget for the Assessor's Office provides for \$1.1 million in General Fund support, an 18% increase over adopted FY 2005-06 budget. Salaries and benefits are increasing by 6% overall, or \$414,133 due to prevailing wage increases as well as the addition of two Administrative Assistants I/II/III positions as part of the department's reorganization discussed below and in the Budget Augmentation Requests table above. Services and supplies have increased by \$101,485 (13%) primarily due to upgrades and maintenance to the E-SDR

program (the electronic filing program for Business Property Statements), increased courier and postage costs, as well as replacement of computers based on ITD's replacement schedule. The majority of the decrease in revenues (83% or \$681,659) is due to the loss of Property Tax Administration Program (PTAP) funds (\$662,659). As mentioned in the department's narrative the California Assessors' Association continues to try to find a way to reinstate or replace the PTAP funds to counties.

The Assessor's Office underwent an organizational effectiveness effort beginning in September 2003. As a result, departmental Action Teams have been working together to improve the organizational structure, communications, systems and processes within the department. The recommended reorganization would create 5 new divisions – Administrative and Standards Services, Assessment Services, Automation/GIS, Business Property/Commercial, and Residential/Subdivision. The Chief Appraiser, Chief of Assessment Standards, and Senior Account Clerk positions will be deleted and replaced with one Assistant Assessor, one Assessment Analyst I/II/III, and one Accounting Technician positions. As stated above two Administrative Assistant I/II/III positions will be added for a net gain of two new positions. There will also be some minor shifting within job classifications to improve supervision/leadership of the teams, including replacing one Assessment Technician I/II/III with one Assessment Technician IV position, and one Property Tax Transfer Tech I/II position with one Property Tax Transfer Tech III position. Prior to the end of FY 2005-06, the Civil Service Commission will be asked to review and approve the creation of job specifications for the Assistant Assessor position. At the same time, the Commission will review job specifications for the creation of an Assessment Manager position. It is the department's intention to convert four of their Assessment Analyst III positions to this new classification. Assessment Managers will oversee the newly created divisions within the department. This will leave the Department with four Assessment Analyst I/II/III positions. Other than the two new positions, the reorganization is essentially cost neutral.

GOALS/PERFORMANCE MEASURES

Department Goal: To levy fair and equitable assessments on real property (i.e. land and structures) in an accurate and timely manner by using accepted appraisal principles and prevailing assessment practices.						
Communitywide Result Link: A well-governed community.						
1. Performance Measure: Percentage of the assessment roll completed by June 30th of each year.						
01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
97%	97%	94%	94%	98%	94%	98%
What: Measures the assessments that are appraised before the June 30 th deadline. For the 2003-04 and 2004-05 fiscal years the State Board of Equalization granted an extension to July 30 th , to complete the assessment roll.						
Why: Incomplete assessments will generate inaccurate tax bills. As the assessments are completed after the year-end deadline, the Assessor, Auditor-Controller, and Tax Collector must process revised assessments and tax bills. These revisions increase the costs of preparing the assessment roll and property taxes. In addition, property owners would be inconvenienced by revisions to their assessments and the associated delays.						
How are we doing? While we strive to achieve 100% completion of the assessment roll, there are situations that prevent the completion of all work items prior to June 30 th each year. Typically, a small number of incomplete work items remain at roll turn over due to delays in obtaining information or the need for additional research. However, for the 2003/04 and the 2004/05 fiscal years, there was more than the typical number of incomplete items. This is due to the continuing high volume of recorded documents that impacted the workload. As of November 2005, the workload projections indicate another increase in work items, particularly in new construction. The new construction workload requires staff to spend more time in the field measuring and collecting data on the new improvements. It is anticipated that current resources and production levels will not be adequate to maintain the adopted target performance measure of 98%. Consequently, the results for 2005-06 are projected to be similar to the results of the past 2 years. Our goal for 2006-07 is to eliminate the backlog of prior years work items and timely complete 98% of the 2006-07 workload.						
2. Performance Measure: The number of assessment appeals filed for every 1,000 assessments.						
01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
.68	.67	.72	.57	1	.75	1
What: When property owners disagree with their property's assessed value, they may file for an assessment appeal hearing before the Assessment Appeals Board. The number of real property appeals is used as an indicator of accuracy and equity among assessments. A low number of appeals is associated with a greater degree of accuracy and the property owner's satisfaction with their assessments.						
Why: The Assessor strives to make accurate and thorough assessments when property is initially valued in an effort to control the costs associated with producing the assessment roll.						

How are we doing? For the 2004-05 fiscal year, San Luis Obispo was once again ranked the lowest of 11 similar counties at .57 assessment appeals per 1,000 assessments. This is based on the most recent data on budgets and workloads provided by the Board of Equalization in January 2005. However, the number of assessment appeals could be adversely impacted as the backlog of work increases. Therefore, the 2005-06 projected results are anticipated to be slightly higher.

3. Performance Measure: The number of completed assessments per appraiser on staff.

01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
1,788	1,875	1,938	1941	1940	1960	2000

What: This measurement compares the size of the workload per appraiser from year to year.

Why: This indicator tracks changes in production as new procedures or automated systems are introduced.

How are we doing? The production per appraiser remained the same during the 2003-04 and the 2004-05 fiscal years. It did so despite the disruptions to work production such as file purging and the move to the new building. For 2005-06, the additional amount of time staff will spend fielding an increasing number of new construction items may hinder production. However, the utilization of AES will offset the additional time spent in the field.

4. Performance Measure: Net County Cost per assessment.

01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
\$26.99	\$29.04	\$33.79	\$34.29	\$37.50	\$44.00	\$48.00

What: The measurement is the net county cost (General Fund support) divided by the total number of assessments.

Why: The Assessor's Office strives to make the most effective use of all available resources in order to produce assessments at a reasonable cost.

How are we doing? The budget and workload data compiled from the State Board of Equalization's report published in January of 2005, indicates San Luis Obispo Assessor's costs were within range of 10 similar counties. The report reflects data for the 2003/04 fiscal year. During that time period the cost per assessment for the 10 similar counties was \$21 to \$38 per assessment, and San Luis Obispo's cost was \$33.79. The State's data for 2004/05 is still pending.

For 2004-05 the Assessor's Office experienced an increase in salaries and a decrease in revenues. The net result is a 1.5% increase in the net county cost of each property assessments between 2003/04 and 2004/05. For 2005-06 the loss of revenues and the increase in salary costs will have a more severe impact. The State has eliminated funding for the Property Tax Administration Program that had provided \$736,288 of funding for the Assessor. At the same time, salary expenses rose due a cost of living adjustment in excess of 5%. The net county cost per assessment will exceed the 2005-06 target, and will increase by 28% as a result of the loss of revenues and increased expenditures.

Department Goal: To provide high quality services to the public and taxpayers.

Communitywide Result Link: A Well-Governed Community.

5. Performance Measure: The percentage of responses rating the Assessor's services as satisfactory or higher.

01/02 Actual Results	02/03 Actual Results	03/04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
Not Available	Not Available	Not Available	Not Available	85%	Deferred	85%

What: This measures the favorable responses regarding the Assessor's services.

Why: To assure that the public and taxpayers receive high quality service from the Assessor's Office.

How are we doing? The survey was delayed due to technical difficulties and staff's concentration on completing the assessment roll. The Assessor's Office is working with Information Technology to explore more cost effective survey options including contracting the services of a consultant to conduct a survey or the development of a survey as part of the department's e-government web site. These options, among others, will be explored during the FY 2006-07 and it is anticipated that this first survey will establish a baseline for this performance measurement.